

BILL ANALYSIS

Senate Research Center
80R9861 JJT-F

S.B. 1458
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

FutureGen is a public-private partnership between the U.S. Department of Energy (DOE) and the FutureGen Industrial Alliance (alliance) to build an electric generation facility that is also capable of producing hydrogen and sequestering carbon dioxide (CO₂). The \$1 billion research project is intended to create the world's first near-zero-emissions fossil-fuel power plant. The prototype facility will be designed to allow testing of various components and fuel types in all phases of the process, as well as fuel measurement, monitoring, and verification of CO₂ sequestration. The alliance requested proposals for sites on which to build the FutureGen plant during March, 2006. Of the 12 proposals submitted from seven states, four sites for final consideration were selected: Mattoon, Illinois, Tuscola, Illinois, Heart of Brazos near Jewett, Texas, and Odessa, Texas, and a final decision is expected by September, 2007.

The governor does not currently have the authority to contract with a 501(c)(3) organizations on behalf of the state. The alliance has specified the need for a named representative from Texas who has the authority to contract on behalf of the state. S.B. 1458 is part of a package of financial and legislative incentives designed to help ensure that FutureGen is awarded to a site in Texas.

As proposed, S.B. 1458 authorizes the governor to enter contractual agreements on behalf of the state with the alliance for the purposes of implementing the FutureGen project.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 490.301, Government Code, as added by Chapter 1097, Acts of the 79th Legislature, Regular Session, 2005, to define "clean coal project" for this subchapter (Clean Coal Projects), rather than section (Definition).

SECTION 2. Amends Subchapter G, Chapter 490, Government Code, as added by Chapter 1097, Acts of the 79th Legislature, Regular Session, 2005, by adding Section 490.304, as follows:

Sec. 490.304. CONTRACTING AUTHORITY. (a) Authorizes the governor to contract for the state with an organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(3) of that code, including the FutureGen Industrial Alliance, Inc., for a purpose related to implementing a clean coal project, including an innovative energy demonstration program described by Section 2305.037 (Innovative Energy Demonstration Program).

(b) Provides that this section expires on the date the FutureGen Industrial Alliance, Inc., loses its qualification as being exempt from federal taxation under 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(3) of that code.

SECTION 3. Effective date: September 1, 2007.